MARKET BRIEF

8 November 2010



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Draft interpretation of the Authority's statutory objective

The Electricity Industry Act 2010 provides the Electricity Authority with a single statutory objective - to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.

The Authority has published a draft interpretation of the statutory objective for discussion purposes. The draft interpretation is consistent with the Act, the outcomes of the Ministerial review, the role and functions of the Commerce Commission, and other Government policy settings.

The draft interpretation of the Authority's statutory objective is intended to assist the Authority to make consistent decisions in the development of Code amendments and market facilitation proposals. It should be viewed as a key strategic statement by the Authority.

Publishing the draft Interpretation along with the draft Code amendment principles and the draft charter for Advisory Groups and the Security and Reliability Council provides stakeholders with greater clarity about the strategic direction of the Authority and a clear signal of the Authority's approach to future decision-making.

The Authority invites feedback on the draft interpretation of the statutory objective which is provided at:

http://www.ea.govt.nz/our-work/consultations/corporate/statutory-objective

Responses should be provided to submissions@ea.govt.nz by 5.00 pm Monday, 29 November.

Draft consultation charter

The Electricity Industry Act 2010 requires the Electricity Authority to develop, issue, and make publicly available a consultation charter.

This charter must include guidelines relating to processes for:

- Amending the Electricity Industry Participation Code (Code); and
- Consulting on proposed amendments to the Code.

The Authority has developed a draft consultation charter in two parts:

- Part 1 relates to processes for amending the Code; and includes draft Code amendment principles to guide decision-making by the Authority and Advisory Groups: and
- Part 2 relates to processes for consulting on proposed amendments to the Code.



The Authority invites feedback on the draft consultation charter which is provided at:

http://www.ea.govt.nz/our-work/consultations/corporate/consultation-charter

Responses should be provided to submissions@ea.govt.nz by 5.00 pm Monday, 29 November.

Consultation: Draft charter for Advisory Groups and Security and Reliability Council

The Electricity Industry Act 2010 requires the Electricity Authority to appoint an Advisory Group called the Security and Reliability Council (SRC) and one or more other Advisory Groups to provide independent advice to the Authority on Code development and market facilitation.

The SRC is a special type of Advisory Group appointed in accordance with the Act, with very different functions to other Advisory Groups. Therefore the Authority has decided to divide the charter for Advisory Groups into two parts:

- Part 1 applies to the SRC; and
- Part 2 applies to all Advisory Groups other than the SRC.

The SRC also has different terms of reference to the other Advisory Groups.

The Authority has published a consultation paper to seek submissions from interested parties on the draft charter and the respective terms of reference for the SRC and for other Advisory Groups.

The consultation paper is available at:

http://www.ea.govt.nz/our-work/consultations/corporate/advisory-groups-charter

Submissions should be provided submissions@ea.govt.nz by 5.00 pm Monday, 29 November.

Interim Advisory Group arrangements

Until new advisory groups are established in accordance with provisions of the Electricity Industry Act 2010, the Authority will continue to use a number of the Electricity Commission's advisory groups. The continuation of these groups is a transitional arrangement designed to ensure that high-priority industry development continues uninterrupted.

Electricity Authority contact information

The Electricity Authority is located at Level 7, ASB Bank Tower, 2 Hunter Street, Wellington. The postal address is PO Box 10041 Wellington 6143 and the telephone number is (04) 460 8860. The website address is www.ea.govt.nz.